MODIFICATION TO THE AMENDMENT OFFERED BY MR. MCHUGH

The amendment is modified as follows:

Page 21, line 14, after "year." add the following: "Such single percentage shall be the same for every product in the noncompetitive category.".

Page 51, line 11, strike "States." and insert "States, subject to the same exception as set forth in the last sentence of section 409(d)(1).".

Page 73, line 8, strike "The" and all that follows through page 74, line 17, and insert the following:

- 1 The Commission shall approve and recommend implemen-
- 2 tation of a proposed negotiated service agreement (or any
- 3 amendment or renewal thereof) unless, on the basis of the
- 4 written data, views, and arguments received, it finds, with-
- 5 in 90 days after receipt of the proposed agreement,
- 6 amendment, or renewal (subject to the same type of day-
- 7 for-day extension as set forth in section 3733(b)(4)(B) for
- 8 failure by the Postal Service to respond to any lawful
- 9 order of the Commission), that—
- "(1) the proposed agreement (or amendment or
- 11 renewal, as applicable)—

1	"(A) does not satisfy the conditions and
2	requirements of subsection (a);
3	"(B) precludes or materially hinders simi-
4	larly situated mail users from entering into
5	agreements with the Postal Service on the
6	same, or substantially the same, terms and con-
7	ditions; or
8	"(C) cannot reasonably be expected to re-
9	sult in net benefits to the operation of a nation-
10	wide postal system;
11	"(2) the Postal Service is unwilling or unable to
12	enter into such negotiated service agreements with
13	other similarly situated mail users; or
14	"(3) rates and fees payable during the term of
15	the proposed negotiated service agreement are not
16	reasonably calculated to yield to the Postal Service
17	total revenues that equal or exceed the sum of—
18	"(A) the direct and indirect postal costs
19	attributable to services performed by the Postal
20	Service under the agreement; and
21	"(B) a portion of all other costs of the
22	Postal Service that are equal, on an average
23	unit basis, to the portion of such costs reason-
24	ably assignable to the classification or classi-

- 1 fications of mail service most similar to the
- 2 services performed under the agreement.

Page 92, strike lines 1 through 4 and insert the following:

- 3 "(6) 'postal product' refers to any service that
- 4 provides for the physical delivery of letters, printed
- 5 matter, or packages weighing up to 70 pounds, in-
- 6 cluding physical acceptance, collection, sorting, or
- 7 transportation services ancillary thereto; and

Page 92, line 5, insert "or service" after "any product".

Page 92, line 16, strike "service" and insert "product".

Page 92, line 18, strike "services" and insert "products".

Page 92, line 23, strike "services" and insert "products".

Page 93, line 3, strike "services" and insert "products".

Page 93, lines 4 through 5, strike "services" and insert "products".

Page 115, after line 7, add the following (as a flush left sentence):

- 1 For purposes of the preceding sentence, any private car-
- 2 riage of mail allowable by virtue of section 601 shall not
- 3 be considered a service reserved to the United States
- 4 under section 1696 of title 18.

Page 115, line 9, strike "effective date of this chapter" and insert "date of enactment of this subsection".

Page 129, line 18, strike "the Commission" and insert "such Office".